

# *Town of Reading*

## *Flexible Spending Open Enrollment*

Deadline to enroll is December 8<sup>th</sup>

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### EXCITING NEWS!

- **BENNY CARD**

When you sign up for the Medical/Dental Account you will receive a debit card which will contain the full amount you elected for the plan year ready for use on January 1<sup>st</sup>. You may use the debit card to pay for eligible expenses at the point of sale: the pharmacy, doctor's office, dentist office, eye wear retailer, etc. This will mean real time use of your money without having to submit receipts for reimbursement.

- **ROLL OVER**

Your plan contains the \$500 Roll Over option. **Remaining balances up to \$500 can be rolled over into the subsequent plan year.** The roll over will occur "after" the current plan run out period of 90 days. You must enroll in the subsequent plan year to utilize funds that are rolled.

## ***What is Flexible Spending?***

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Flexible Spending Account plans are a tremendous opportunity for you to enhance your benefits package. The Town of Reading knows that these are highly beneficial programs and wants you to have the opportunity to participate in an IRS Section 125/Flexible Spending Account Plan administered by Cafeteria Plan Advisors, Inc. (CPA, Inc.) for the plan year of January 1, 2015 through December 31, 2015. Most employees pay for expenses such as dependent care, medical/dental care on an after tax basis. These programs allow you to set aside a portion of your paycheck tax free to pay for those expenses. The result is a reduction in your taxable income, which will give you an increase in your take home pay. Don't miss out on this opportunity to save between 28-34% in taxes.

### **Medical/Dental Account**

Employees may set aside up to \$2,500 per plan year to pay for out-of-pocket medical/dental expenses for themselves and their family members. Examples include:

- Copays for office visits and prescription drugs
- Deductible expenses
- Orthodontia and other dental expenses
- Contact Lenses, eye glasses, laser eye surgery
- Visits for Chiropractic Care or Acupuncture

### **Dependent Care Account**

Employees can set aside up to \$5,000 per plan year to pay for out-of-pocket dependent care expenses for children under the age of 13 or elderly parents. This includes:

- Day Care
- Before School Care & After School Care
- Summer Day Camp
- Elder Care

Although you can claim dependent care expenses when you file your taxes, in most cases, people are able to save more money this way. Please consult your tax advisor.

A Dependent Care Claim is required for reimbursement each plan year.

# How to Enroll in your Flexible Spending Account

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## Current Participants Enroll On-Line:

- Cut and paste this link: <https://cpaemployee.lh1ondemand.com/>
- If you **have not** logged in use the following in lowercase and do not use spaces
  - Username - first initial of your first name, last name, last 4 digits of SSN
  - Password - same as above. You will then be prompted to change your password
- If you **have** logged in, your username remains first initial of your first name, last name, last 4 digits of your SSN and the password you created. If you are unsure of the password you created, click on Forgot Password and a temporary password will be e-mailed to you
- Follow the commands to complete your enrollment process

## New Participants/Paper Enrollment:

- Obtain an enrollment form from your HR office or log on to [www.cpa125.com](http://www.cpa125.com) to download a form
- Send completed form directly to CPA, Inc. via fax or mail
- E-mail [info@cpa125.com](mailto:info@cpa125.com) or call 781-848-9848 with any questions

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*A representative from Cafeteria Plan Advisors, Inc. will be available to enroll you in person or answer any questions you may have*

**Tuesday, November 18**

**11am – 2:30pm Town Hall/Conference Room**

**3:30pm – 5pm Temporary Library Location**

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## IMPORTANT - Please Note The Following:

- Due to a change in IRS regulations, the maximum amount allowed for Medical/Dental Accounts was reduced to \$2,500 effective January 1, 2013.
- Do not throw away your Benny card! If you re-enroll next plan year, the same card will be reloaded with your elected amount for that plan year. There is a replacement fee if you need to request a new card.
- Your plan year is 1/1/2015 – 12/31/2015 as this is a one year commitment. There is an annual fee of \$60.00. The plan does not renew automatically. If you would like to enroll, you need to do so before December 8, 2014.
- You cannot change your elected amount during the plan year unless you have a qualifying event and notify CPA, Inc. within 30 days.
- If you do not use it you lose it. Please be conservative when deciding how much money to set aside for Medical/Dental and Dependent Care Expenses. If you do not spend your money by the end of the plan year, you could be in danger of forfeiting your money. If you do enroll in the next year, remaining funds up to \$500 can be rolled into the new plan.
- Current participants that have cards that will be expiring will be sent new cards.